

BROILER PRODUCTION CONTRACT **SPRINGDALE**

THIS CONTRACT is entered into by and between TYSON POULTRY, INC., (referred to hereinafter as "Company"), and Spring Valley Beef, (referred to hereinafter as "Producer"),
(Producer or Legal Entity Name)
whose farm address is 13517 Rennie Rd., Summers, AR 72769.

COMPANY DESIRES THE LAWFUL, EFFICIENT PRODUCTION OF MARKETABLE, TARGET-WEIGHT, AND PROCESSIBLE BROILER CHICKENS ("BROILERS"); AND, PRODUCER DESIRES TO PRODUCE BROILERS PURSUANT TO THE TERMS AND CONDITIONS OF THIS CONTRACT. THEREFORE, IN CONSIDERATION OF THEIR MUTUAL RIGHTS AND OBLIGATIONS DESCRIBED BELOW, COMPANY AND PRODUCER AGREE AS FOLLOWS:

1. Duties of Company.

- A. Company will furnish Producer with and will retain title and ownership to chickens, feed, and medication. Company will determine the amount, type, frequency, and time of delivery to and pick-up from Producer of chickens, feed, and medication.
- B. Company will provide veterinary services and technical advice to assist Producer's production of Broilers.
- C. Company will comply with all applicable federal, state, and local statutes, rules, regulations, and ordinances in performance of this Contract.

2. Duties of Producer.

- A. Producer will furnish labor, materials, and utilities necessary for the receipt of chickens and the production of Broilers and will when appropriate seek Company's technical advice.
- B. Producer will maintain biosecure housing for Company's chickens, feed, and medication, and will promote a disease-free environment.
- C. Producer will comply with all applicable federal, state, and local statutes, rules, regulations, and ordinances in performance of this Contract, including but not limited to all those governing environmental and poultry litter management.

3. Best Efforts.

Company and Producer will use their reasonable best efforts in the production of Broilers.

4. Compensation.

Producer will accept and Company will pay for the production of Broilers the compensation described in and determined by the attached Schedule A.

5. Risk of Loss.

In the event Company's chickens in Producer's house(s) are destroyed by an Act of God, Company will compensate Producer on a pro-rata basis for the time Company's chickens were in Producer's house(s).

6. No Warranty of Property.

COMPANY DOES NOT WARRANT QUALITY, MERCHANTABILITY, OR FITNESS FOR PURPOSE OF, OR OTHERWISE WARRANT, ANY PROPERTY OR PRODUCT (NOT MANUFACTURED OR PRODUCED BY COMPANY) DELIVERED OR RECOMMENDED BY COMPANY TO PRODUCER.

7. Independent Contractor.

Producer is engaged in and is exercising independent employment. Producer is an independent contractor and may join any organization or association of Producer's choice. Producer is not a partner, agent, or employee of, or joint venturer with, Company.

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8. Termination.

- A. Producer has the right to terminate this Contract with no less than sixty (60) days notice prior to scheduled removal of Broilers from Producer's house(s).
- B. Company has the right to terminate this Contract immediately upon default by Producer. The following constitute events of default by Producer:
- Use of abusive and threatening language with or threat of physical harm to Company's representatives.
 - Endangering the health or welfare of Company's chickens, or altering or supplementing Company's feed, medication, or administration schedule(s).
 - Selling, collateralizing, or in any manner encumbering or preventing access of Company to Company's chickens, feed, or medication.
 - Failure to comply with any provision of this Contract, including but not limited to compliance with all applicable environmental and litter management laws, rules, regulations, and ordinances, and all requirements and programs contained in the attached Schedules.
- C. Company will give notice of default to Producer in writing and, thereafter, may take possession of Company's chickens, feed, and medication without further notice, delay, or legal process. Upon giving notice of default to Producer, Company shall have the right to utilize Producer's house(s) containing Company's chickens to complete the production of Broilers at the expense of Producer. No waiver by Company of any default will operate as a waiver of any other default, and Company's rights and remedies are cumulative and not exclusive of any other right provided by law or equity.

9. Duration.

The terms and conditions of this Contract will begin on 3-4-05 and, unless terminated by Producer or Company, shall conclude on 3-4-12 ("the scheduled conclusion"). If Producer is housing Company's chickens on the scheduled conclusion, the duration of this Contract shall further extend until Broilers at Producer's facility are picked up by Company.

10. Assignment.

Producer may assign this Contract only with the written consent of Company. Upon providing notice in writing to Producer, Company may assign this Contract.

11. Entire Agreement.

This Contract, including the attached Schedules, contains the entire agreement between Producer and Company regarding the production of Broilers. This Contract supersedes all prior agreements between Producer and Company. Producer understands and agrees that no agent, servant, or employee of Company has authority to make any oral modification of this Contract. Modification of this Contract may only be accomplished by written instrument fully executed by Producer and an authorized representative of Company.

EXECUTED THIS 4th DAY OF March, 2005

PRODUCER:

Fred Schwieder DBA Spring Valley Beef

71-0808842

Social Security No./Tax ID No.

13512 Rennie Rd Summers AR 72769

Address (Mailing)

479-824-3910 (Telephone)

TYSON POULTRY, INC.

Kenneth D. King

Complex Manager

Title

3701 Johnson Rd - Springdale AR

Address

479-290-6401 (Telephone)

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**BROILER PRODUCTION CONTRACT
SPRINGDALE
SCHEDULE A**

A. The term "Farm Weight" used in the following formulas means the net difference between gross weight (i.e. tare weight plus weight of the flock of Broilers) and tare weight. Gross weight will be determined on a certified scale normally used for such purpose as promptly as possible after the flock of Broilers is loaded on the vehicle. (Any feed that is picked up by Company will be weighed or its weight will be reasonably determined by a method acceptable to Producer and Company.) Producer may witness weighings. At pick-up, Producer will inspect with the chicken catching foreman to insure no dead chickens are in the house(s) or Producer will accept the foreman's determination of dead and smothered chickens.

B. The phrase "farm-caused condemnation which is chargeable to Producer" used in the following formulas means whole chickens condemned as determined by approved U.S.D.A. inspection procedures for the following causes: tuberculosis, leukosis, septicemia, toxemia, synovitis, tumors, airsacculitis, and inflammatory process. Condemned weight will equal number of head condemned multiplied by the average live weight of the flock of Broilers. All bruises, parts condemnation, and plant condemnation consisting of chickens condemned for the following causes will not be charged against Producer's Farm Weight: cadavers, overscalds, no viscera, contamination, and other plant-caused condemnation.

C. The term "Net Pound" used in the following formulas means Farm Weight less the farm-caused condemnation which is chargeable to Producer.

D. To calculate compensation for the production of Broilers: First, an average value per pound shall be computed for all Producers of Broilers at this Complex who settle a flock of Broilers of the "Same Class" (those Broilers within one of the two classes identified below) during the same week. Any Producer producing Broilers which are processed in more than one (1) calendar week will have his compensation calculated in the week of the final processing. The "Total Value" for all Producers at this Complex having flocks of Broilers settled of the Same Class in the week is determined by adding the "Chick Value" (equaling the number of chicks multiplied by nineteen cents (19¢) each) and the "Feed Value" (equaling the amount of feed multiplied by nine and one-half cents (9.5¢) per pound). This Total Value is then divided by the Net Pounds produced by the same Producers to arrive at an "Average Net Pound Value" at this Complex.

Classes:

Class 77 - Cornish

Class 80 - Small Straight Run

E. Second, each such Producer's "Individual Net Pound Value" is calculated in the same manner and using the same valuation factors as above.

F. Third, each Producer whose Individual Net Pound Value, as calculated above, is two and one-half cents (2.5¢) more or less than the Average Net Pound Value shall be removed from the average. Also, each Producer who is known to be a Company management employee or a member of a Company management employee's immediate family (that is, spouse, parents, siblings, and children, whether by blood or marriage) shall be settled with all Producers for purposes of calculating the compensation of Company management employees/family, then shall be removed from the Average Net Pound Value for purposes of settling all other Producers. The Average Net Pound Value for the remaining Producers, calculated in the same manner set forth in Paragraph D, shall constitute the "Adjusted Average Net Pound Value" for Producers settling flocks of Broilers for the week.

G. Fourth, each Producer settling a flock of class 80 Broilers during the week whose Individual Net Pound Value is equal to the Adjusted Average Net Pound Value at this Complex, determined in Paragraph F, will receive the Base Pay of four and seventy-five hundredths cents (4.75¢) per Net Pound. Each Producer settling a flock of Same Class 77 Broilers during the week with an Individual Net Pound Value equal to the Adjusted Average Net Pound Value at this Complex, determined in Paragraph F, will receive the Base Pay of the rate pursuant to the Table below, per Net Pound. For each one hundredth cent (.01¢) per Net Pound that Producer's Net Pound Value is less than the Adjusted Average Net Pound Value,

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Producer shall receive one hundredth cent (.01¢) more per Net Pound than the Base Pay per Net Pound. For each one hundredth cent (.01¢) per Net Pound that the Producer's Net Pound Value is more than the Adjusted Average Net Pound Value, Producer shall receive one hundredth cent (.01¢) less per Net Pound than the Base Pay per Net Pound. No Producer shall receive less than three and ten hundredths (3.10¢) cents per Net Pound.

TABLE

Class 77 Avg. Wt	Base Pay (Cents/Lb.)	Class 77 Avg. Wt	Base Pay (Cents/Lb.)	Class 77 Avg. Wt	Base Pay (Cents/Lb.)	Class 77 Avg. Wt	Base Pay (Cents/Lb.)
1.80 and less	5.460	1.96	5.316	2.12	5.172	2.28	5.028
1.81	5.451	1.97	5.307	2.13	5.163	2.29	5.018
1.82	5.442	1.98	5.298	2.14	5.154	2.30-2.35	5.010
1.83	5.433	1.99	5.289	2.15	5.145	2.36-2.40	5.002
1.84	5.424	2.00	5.280	2.16	5.136	2.41-2.45	4.994
1.85	5.415	2.01	5.271	2.17	5.127	2.46-2.50	4.986
1.86	5.406	2.02	5.262	2.18	5.118	2.51-2.55	4.978
1.87	5.397	2.03	5.253	2.19	5.109	2.56-2.60	4.970
1.88	5.388	2.04	5.244	2.20	5.100	2.61-2.65	4.962
1.89	5.379	2.05	5.235	2.21	5.091	2.66-2.70	4.954
1.90	5.370	2.06	5.226	2.22	5.082	2.71-2.75	4.946
1.91	5.361	2.07	5.217	2.23	5.073	2.76-2.80	4.938
1.92	5.352	2.08	5.208	2.24	5.064	2.81-2.85	4.930
1.93	5.343	2.09	5.199	2.25	5.055	2.86-2.90	4.922
1.94	5.334	2.10	5.190	2.26	5.046	2.91-2.95	4.914
1.95	5.325	2.11	5.181	2.27	5.037	2.96-3.00	4.906

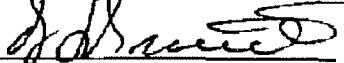
H. Producer is eligible for a sixty-five hundredths cent (.65¢) for class 80 Broiler or a one cent (1.00¢) for class 77 Broiler per Net Pound energy allowance for two (2) flocks of Broilers produced from chicks placed from the first accounting week of November through the last accounting week of March, in addition to the Base Pay. This may apply to more than two (2) flocks only if at least one flock placed is a class 77 Broiler flock. Producer will receive this additional amount when Broilers are settled so long as Producer has used said energy in conjunction with good broiler growing practices to maintain appropriate house temperatures.

I. In the event of an approved assignment of this Contract, the assignee will be deemed "Producer" and paid compensation in accordance with this Contract.

J. Producer is eligible for a forty hundredths cent (.40¢) per Net Pound Premium Pay, in addition to the Base Pay, if Producer complies with all the "Premium Compensation Requirements" as provided in the attached Schedule B, section C. Producer will be paid this additional pay only for Broilers produced in the house(s) meeting the "Premium Compensation Requirements", if Producer is settling in the same week Broilers produced in "Premium" and non-"Premium" housing. Producer will be paid Premium Pay for the Broilers produced in the house(s) complying with the "Premium Compensation Requirements" on a pro-rata basis when Producer is settling Broilers produced in both types of houses in the same week.

K. If the rate of any factor of compensation (for example, rate of Base Pay or rate of energy allowance) at this Complex is increased prior to expiration of this Contract, the increased rate will be applied to the calculation of any compensation that Producer is eligible to receive after implementation of the increase, and an amended schedule will be attached to this Contract to reflect the increased rate.


L. Producer and Company agree that if Company pays for supplies or services in addition to those required by the Contract, Company may deduct those costs from Producer's compensation.



Producer

3-4-05

Date



TYSON POULTRY, INC.
Complex Manager
3/4/05

Date

12/04

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BROILER PRODUCTION CONTRACT SCHEDULE B

A. Performance Improvement Program

The following performance requirements must be complied with by Producer:

1. A Producer who settles two (2) consecutive flocks of Broilers with an Individual Net Pound Value of 0.40¢ (forty-hundredths of one cent) or more, higher than the weekly Adjusted Average Net Pound Value ("High 40") will be advised in writing that the next consecutive flock of Broilers settling in the High 40 will place Producer on "Intensified Management Status".

(Each Producer who is a Company management employee or a member of a Company management employee's immediate family who settles two (2) consecutive flocks of Broilers with an Individual Net Pound Value of 0.40¢ (forty-hundredths of one cent) or more, higher than the weekly Average Net Pound Value ("High 40"), excluding any Individual Net Pound Value of a Producer that is two and one-half cents (2.5¢) more or less than the Average Net Pound Value, will be advised in writing that the next consecutive flock of Broilers settling in the High 40 will place Producer on "Intensified Management Status".)

2. A Producer who settles three (3) consecutive flocks in the High 40 will be placed on Intensified Management Status.
3. If Producer is placed on Intensified Management Status because of three (3) consecutive High 40 settlements:
 - a. A meeting will be scheduled with Producer and Company's Live Production staff to discuss specific recommendations Producer can adopt which may improve his performance and may assist in removing him from Intensified Management Status. These recommendations may include, if appropriate, new or upgraded equipment and other matters which may improve performance.
 - b. If Company's Live Production staff recommends in writing and Producer agrees to invest in new or upgraded equipment, Producer will be removed from Intensified Management Status immediately upon installation.
 - c. Notwithstanding the preceding subparagraph "b", Producer will be removed from Intensified Management Status when two of three consecutive flocks do not settle in the High 40.
 - d. If at any time while on Intensified Management Status, a settlement is in the High 40, the next chicken flock's placement density will be reduced by fifteen percent (15%). If a chicken flock placed at reduced density does not settle in the High 40, the next flock will be placed at normal density.
 - e. Producer will be subject to termination if two (2) of three (3) consecutive flocks of Broilers settle in the High 40 while Producer is on Intensified Management Status **AND** Producer's six (6) flock Net Pound Value average ranks in the Bottom Ten Percent (10%) of all Producers for the Complex. All settlements, records, and communications will be reviewed by the Complex Manager before the Contract is terminated pursuant to the Performance Improvement Program.

B. Minimum Housing Requirements

The Minimum Housing Requirements are generally accepted minimum housing standards for producing a commercial flock. Meeting these requirements does not guarantee that Producer will otherwise comply with the duty to produce Broilers pursuant to the terms and conditions of this Contract.

The following "Minimum Housing Requirements" must be maintained by Producer:

1. Access roads must be all-weather and have no closed gates, be wide enough for tractor trailers, and be accessible without backing off of main highways. Overhead electrical lines are not permissible within 50 feet of feed bins, or in proximity to any equipment involving feed delivery, chick delivery, or live haul operations.
2. Unless the threat of disease dictates more extensive measures, house(s) must meet minimal biosecurity guidelines. These include screening all openings of the houses to prevent the entrance of wild birds; removing clutter, weeds and other material on the property containing Producer's house(s) to prevent the existence of rodents; and maintaining proper grading and drainage to prevent standing water on the property containing Producer's house(s).
3. All houses must be configured to be accessible by and have sufficient clearance for catching equipment.
4. Ventilation requirements are as follows:
 - a. All negative pressure houses must be capable of creating a negative pressure relative to the outside of 0.05 inches using either one (1) 48-inches fan or two (2) 36-inches fans, and will be equipped with at least two (2) minimum ventilation fans on both timers and thermostats.
 - b. All houses must be equipped with evaporative cool cells and/or a pressurized fogger system operating at a minimum of 180 pounds per square inch ("PSP").
 - c. Additionally, tunnel ventilated houses must be capable of producing a wind speed of 400 feet per minute.
 - d. Additionally, conventional houses must provide 1.5 cubic feet per minute ("CFM") per finished pound of body weight of Broilers.
5. Curtains must be easily raised and lowered, able to drop freely, and connected to a functional curtain drop throughout the life of the flock. All new or replacement curtains on tunnel ventilated houses must be black-on-black or white-on-black.
6. All houses must utilize a pan-type feeder, and have a minimum feed bin capacity of three-quarters (3/4) ton per 1,000 birds placed with feed bin lids that are watertight and easily opened and closed from the ground.
7. All houses must be equipped with a power-failure alarm, light timer, water meter, and medicator.

8. All houses must have a separate source of supplemental heat (for example, pancake brooders or forced air heaters) for use when chickens are turned out into the three-quarters (3/4) house and/or the full house.
9. All houses must be capable of achieving temperatures in the following ranges at the appropriate times:

°F	°C	Flock Age in Days
95	35	1 - 7
90	32.2	8 - 14
85	29.4	15 - 21
80	26.6	22 - 28
75	23.9	29 - 35
70	21.1	36 - pick-up

C. Premium Compensation Requirements

In order to receive Premium Pay, Producer agrees to meet the "Premium Compensation Requirements", which include maintaining the Minimum Housing Specifications and installing, maintaining, and operating the following equipment in Producer's housing:

1. **Static Pressure > - .10**
 - a. Broiler house(s) must be tight. Broiler house tightness will be measured by a magnehilic gage and must be capable of pulling a negative pressure of .10 or greater with two (2) 36" or one (1) 48" fan in whole house.
2. **Tunnel Ventilation**
 - a. Wind Speed – Broiler houses must be tunnel ventilated and capable of producing a minimum wind speed of no less than 450 ft. per minute. Measurement for wind speed will be taken 100 ft. from fan end of the house, equal distance from side walls 3 ft. off the ground.
 - b. Air inlet area for tunnel ventilation will be determined based on individual broiler house fans' CFM rating. Sixty-five (65) sq. ft. of opening per 20,000 CFM fan capacity must be provided equally divided on each side of the broiler house.
 - c. Minimum ventilation fans equal to or greater than front half 1 CFM per sq. ft.
3. **Pad and Fogger System**
 - a. Houses must be equipped with a 2-inch pad fogger system or 6-inch cool cell system sized to the air inlet area. The pad system is to be installed with 3 lines of foggers to cover the pad area. 3 Fogger lines to be side wall to side wall across broiler house beginning approximately 30 ft. from center partition on inlet end of broiler house and the other 3 lines on exit end of broiler house beginning 30 ft. from center partition spaced 30 ft. apart.
 - b. Fogger Pressure – fogging system must be able to achieve a minimum of 180 PSI at the fogger pump.
 - c. Fogging nozzles must be maintained in good working order.
4. **Air Inlet Boxes**
 - a. Air inlets must be on 15 ft. centers on each side of a new broiler house or spaced as mutually agreed upon by the Contractor and Producer in an existing house.
 - b. Air inlets must be static pressure controlled with inlet machine.
 - c. Place inlets as close as possible to the top of the side wall of the broiler house.

5. **Curtains**
 - a. Broiler houses must be capable of controlling light. This is accomplished by utilizing white on black side wall curtains, dimmers and incandescent bulbs.
 - b. Curtains must have a minimum of a 12" flap across the top and a solid strip seal at the bottom.
 - c. Baffles required obtaining the 450 ft. minute air speed in non-drop ceiling houses.
 - d. Houses must be equipped with 2 curtain drops.
6. **Controllers**
 - a. Broiler houses must be controlled by a Tyson approved controller.
7. **Equipment**
 - a. Broiler houses must have a self-starting generator capable of supplying all electrical needs to the house.